(b) The Lead Bank Scheme (LBS) was evolved as a framework to respond more effectively to the needs of the rural economy. District are earmarked to commercial banks so that they could act as pace-setters in the districts allotted in providing integrated banking facilities. They act as consortium leader to coordinate the efforts of banks in the district particularly in the matters like branch expansion and credit planning. Lead District Manager (LDM) prepares a background paper for preparation of Annual Credit Plan. Bank-wise, sector-wise, block-wise targets as agreed to by the banks operating in the district are aggregated and the task to be completed as per time schedule of RBI.

Increase in Inflation Rate

935. SHRI RAMACHANDRA KHUNTIA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that rate of inflation has gone up and the value of rupee in comparison to US Dollar, UK Pound and Euro Dollar has gone down; and

(b) if so, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) The average inflation for the current financial year (till July 5, 2003) on the basis of the Wholesale Price Index (WPI) for all commodities has been estimated at 4.5%.This is marginally higher than the average inflation rate of 3.4% in 2002-03. The annual average value of the Indian Rupees vis-a-vis the US Dollar, UK Pound, and the Euro, for the previous year (2002-03) and the current year (2003-04) is indicated in the table below:

Annual Average value of Rupee

Year	US Dollar	UK Pound	Euro
2002-03	Rs. 48.39	Rs. 74.82	Rs. 48.09
2002-04 (April-June)	Rs. 47.05	Rs. 76.19	Rs. 53.52

(b) The exchange rate of the Rupee against major currencies of the world is entirely market-determined. The Reserve Bank of India (RBI) intervenes only occasionally for minimising the volatilities in the forex market. In recent times, the US Dollar has not only weakened against the Rupee, but has also depreciated significantly against the UK Pound and the Euro.

Conversion of IDBI and ICICI into commercial banks

936. SHRI R.S. GAVAI: Will the Minister of FINANCE be pleased to state:

(a) whether the IDBI and ICICI Limited have been converted into a commercial banks;

(b) if so, the details thereof;

(c) whether Government have dropped the plan to convert IFCI into commercial bank; and

(d) if so, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) and (b) Government had introduced a bill titled "Industrial Development Bank (Transfer of Undertaking and Repeal) Bill, 2002 in the Lok Sabha on 4.12.2002. The Bill had been referred to the Parliamentary Standing Committee on Finance for scrutiny. The Committee has since submitted its report with certain recommendations to the House which are under examination of the Government.

ICICI Ltd., a financial institution, merged with ICICI Bank Ltd., (a banking company under the Banking Regulation Act, 1949) with effect from May 3, 2002, the appointed date of merger being March 30, 2002.

(c) and (d) There is no plan to convert IFICI into a commercial bank.

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†937. SHRI MOTILAL VORA: Will the Minister of FINANCE be pleased to state:

†Original notice of the question was received in Hindi.